

April 20, 2010

Legislation Establishes a National Interconnection Standard

Washington, DC – Today, Rep. Ben Ray Luján introduced legislation that requires the Federal Energy Regulatory Commission (FERC) to establish a national interconnection standard for small power production facilities, which will increase energy efficiency, cut down on greenhouse gas emissions, create jobs, and enhance our national security.

“As we work to move our economy towards a more prosperous and cleaner future focused on increasing domestic renewable energy production, creating jobs, and enhancing our national security, we must support the widespread use of distributed energy generation--the generation of power from many small energy sources such as windmills on agricultural property or solar panels on residential homes,” said Rep. Luján.

The legislation is supported by the American Wind Energy Association and the Solar Energy Industry Association.

“The American Wind Energy Association is grateful to Rep. Luján for recognizing the importance of distributed renewable energy technologies and taking action to help them succeed in the marketplace. This legislation will help give all Americans a chance to see that wind works to generate clean, renewable, stably-priced electricity,” said Denise Bode, CEO of the American Wind Energy Association.

“Despite a harsh recession, the U.S. residential solar market doubled new installed capacity in 2009,” said Rhone Resch, president and CEO of the Solar Energy Industries Association. “But the arduous process of connecting to the grid is still holding solar back. Establishing a national interconnection standard would fill in one of the major policy gaps that has prevented the solar industry from reaching its full potential nationwide. SEIA applauds Rep. Luján for his leadership on this issue and looks forward to working with him on this legislation.”

The use of distributed generation (DG) —the generation of power from many small energy sources rather than one large and centralized source of power—reduces pollution, increases energy efficiency and promotes the use of renewable energy sources like wind and solar.

One of the principle barriers to the implementation of a distributed generation system is the complicated process of connecting individual energy sources to the utility grid, a process known as interconnection. Our current electricity system relies primarily on large centralized power plants. Transitioning to a decentralized generating system would ease the need for larger power plants and greatly improve transmission efficiency. Before developers and consumers

can install these small generation units, the complicated regulations and processes that govern interconnection must be streamlined.

The legislation requires the Federal Energy Regulatory Commission (FERC) to establish a national interconnection standard for small power production facilities of 2 megawatts or less, and each electric utility is required to offer interconnection service to any consumer in compliance with this standard. For states that have already implemented interconnection standards that are consistent with or exceed the new national standard, FERC would defer to the state's existing standard. The bill also requires FERC to consider States' best practices for interconnection of distributed generation devices. For power production facilities that have a production capacity of more than 2 megawatts but not more than 20 megawatts, the bill requires FERC to establish an interconnection standard for states to consider.